GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:857
ANSWERED ON:28.04.2016
Cost of Generation of Solar Power
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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether the cost of generation of solar power is more than the thermal power or hydro power in the country; and

(b) if so, the details thereof and the steps taken/being taken by the Government to reduce the cost in the generation of solar power?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): During the recent tenders for procurement of solar power, the tariff discovered ranges from as low as Rs 4.34 per kWh to Rs. 5.50 per kWh. It is quite competitive in comparision with the cost of generation from newly constructed thermal and hydro power projects.
(b): Government is providing the following fiscal and promotional incentives for promoting solar industry and reducing the cost of generation of solar power:-
â€¢ capital and/or interest subsidy,
â€¢ tax holiday on the earnings for 10 years,
â€¢ accelerated depreciation,
â€¢ financing solar rooftop systems as part of home loan,
â€¢ concessional excise and custom duties,
â€¢ Foreign direct investment up to 100 per cent under the automatic route.
â€¢ Open transparent competitive bidding to explore the tariff.
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